

**GUAM ANCESTRAL LANDS COMMISSION REGULAR MEETING MINUTES
VIA ZOOM**

February 10, 2021 • 2:07 p.m. to 4:50 p.m.

**Notices were published in the Guam Post on Wednesday, February 3, 2021 and
Monday, February 8, 2021, in the Guam Daily Post**

I. CALL TO ORDER

Chairman Eclavea called the virtual regular meeting of the Guam Ancestral Lands Commission to order at 2:07 p.m. In Compliance with Public Law 24-109, Guam Ancestral Lands Commission announced the virtual meeting on Wednesday, February 3, 2021 and Monday, February 8, 2021 in the Guam Daily Post.

II. ROLL CALL

Commission Members Present: Chairman Ronald F. Eclavea, Vice Chairman Ronald Laguana, Secretary/Treasurer Maria Cruz, Commissioner Camacho, Commissioner Orlino, Commissioner Rios, Commissioner Wessling. **Staff Members Present:** Executive Director John Burch, Administrative Officer Cathi Blas, Attorney Nicolas Toft, Land Agent II Joey Leon Guerrero, DOL Land Agent I Trainee Antolin Mendiola, DOL Administrative Aide Trainee Mara Perez.

- **Director** stated that all commissioners were present, and they had a quorum.

III. APPROVAL OF MINUTES

▪ **Minutes of January 27, 2021 – Summarization**

- **Chairman** asked if anyone needed time to review, or had questions about, the minutes. He said he was fine with the minutes.
- **Commissioner Wessling** motioned to approve the minutes with any corrections as needed.
- **Vice Chairman** seconded the motion.
- **Chairman Eclavea** put the motion to a vote, and the motion passed with all ayes.

IV. EXECUTIVE DIRECTOR'S REPORT

The following are updates for the Guam Ancestral Lands Commission:

USDOL SCSEP: February 1, 2021, we were fortunate to supplement the Commission's staff with two part-time employees from the federally funded Senior Community Service Employment Program (SCSEP) under the U.S. Department of Labor (USDOL). The program is managed locally by the Government of Guam Department of Labor. The overall goal of the Senior Employment Program is to assist participants in developing skills to improve their employment prospects. Participants are expected to achieve this goal through a combination of work training experience and traditional training.

SCSEP Participant Mara Perez is assigned to work with Administrative Officer Cathi Blas and SCSEP Participant Andy Mendiola is assigned to work with Land Agent Joey Leon Guerrero.

Office Space: February 3, 2021, ITC management informed us that the Commission's new office space on the third floor of the ITC Building should be ready for occupation by mid-February.

Vehicle Update: Since the return of the Commission's vehicle, we've had it cleaned and serviced at no cost to the Commission. At issue is the location of the vehicle's spare key. We were informed that the spare key was kept in the top drawer of a file cabinet of the former GALC Executive Director. As of this date we were unable to locate the spare key or the file cabinet. It is our concern that the security of the vehicle is jeopardized because of the missing key.

The AK Parts Department provided a price quote of \$687.24 to reprogram the computer and the remaining key, and to cut and program a new spare key. We request the approval of this work order to secure the vehicle from possible theft. The source for the payment of the work order will be GALC's Operations Fund. See Attachment #1.

- **Chairman** asked if the key possibly ended up with another agency who may have borrowed the vehicle.
- **Director** replied that he talked to Mr. Angoco and Ms. Liza Camacho about the key. Per Mr. Angoco the key was left in the top drawer of a file cabinet in his office. Per Ms. Camacho a key was not found when they were packing up and moving. GALC did a thorough search for the key and none was found.
- **Vice Chairman** moved to approve the work order with a cap of \$690.
- **Commissioner Wessling** seconded the motion.
- **Chairman** asked for a vote and the motion passed with no nays.

Budget: February 3, 2021, we received instructions from BBMR to prepare and resubmit the Commission's FY2022 Budget Request based on a ceiling amount of \$408,553. The ceiling level was established by the FY2022 Executive Budget transmitted to the Guam Legislature by the Governor on January 30, 2021. The deadline to resubmit the Commission's revised budget request to BBMR is Friday, February 12, 2021.

See Attachment #2.

See the revised GALC Budget Request in the Commissioners' Packet.

- **Chairman** asked if this would affect the situation with the AT&T lease proceeds.
- **Director** replied, no.
- **Vice Chairman** motioned to approve the resubmission.
- **Commissioner Camacho** seconded the motion.
- **Chairman** moved to a vote, and the motion passed with all ayes.

Administration & Operations Issues:

FY2021, the Commission became financially independent from the General Fund. The 35th Guam Legislature appropriated \$408,553 from the Commission's Survey, Infrastructure and Development Fund. However, according to BBMR, the Legislature failed to include language authorizing the Commission to access 50% of the net proceeds of the AT&T Lease into the SIDF. Therefore, BBMR adjusted the Commission's Budget Allotment Schedule to reflect a budget limit of \$290,599.

Because of this, the Commission is expected to have a shortfall of \$49,718.88 if it continues to operate at its current pace. Currently, the Commission has eliminated all purchases of equipment and supplies this fiscal year. In anticipation of this shortage, the Commission purchased equipment last fiscal year to replace lost or damaged equipment.

It is strongly recommended that the Commission re-evaluate the needs of the Commission to determine the needed personnel, contractual services, rental payments, utilities and supplies should additional funds not be made available to the Commission this fiscal year. See Attachment #3.

- **Chairman** asked how the commission could legally prevent the shortfall.
- **Director** recommended that they wait until they hear back from the OPA and Deloitte & Touche. He said that the only other legal way to prevent the shortfall is to lobby the Legislature, and to go through the Commission's oversight chair, Speaker Terlaje.
- **Chairman** said he assumes Speaker Terlaje is fully aware of the Commission's dilemma.
- **Director** said yes, and that Andrea Pellacani was participating in the meeting.
- **Andrea Pellacani** greeted the Commission.
- **Chairman** asked if the Speaker would be able to fix the situation, and what the timeline would be.
- **Director** said he wasn't sure how long the Legislature would take to address the matter.
- **Chairman** asked if BBMR would oversee any solution of preventing the shortfall.
- **Director** replied yes.
- **Chairman** asked what the front office could do to help.
- **Director** replied that another option would be to transfer money from the General Fund.
- **Commissioner Cruz** asked if Land Agent II Joey Leon Guerrero has been ok with the extra work coming from outside the Commission. (Due to technical difficulties, Mr. Leon Guerrero was unable to respond).
- **Director** expressed concern about work getting busier for Mr. Leon Guerrero once things go back to PCOR 4.
- **Commissioner Cruz** suggested that Mr. Leon Guerrero keep a log of all work he does outside of the Commission.
- **Director** mentioned that they have discussed a collaborative training/working effort with CLTC.
- **Commissioner Cruz** stressed again her concern for Mr. Leon Guerrero.
- **Director** said that GEDA, CLTC and GALC help each other at times.
- **Commissioner Cruz** asked Mr. Leon Guerrero if he has been logging in the hours he has put in for CLTC. (Due to technical difficulties, Mr. Leon Guerrero was unable to respond).
- **Director** agreed that a log should be kept.
- **Commissioner Orolino** suggested that Mr. Leon Guerrero set aside a certain percentage of his time to helping CLTC.
- **Director** said the Mr. Leon Guerrero would keep a record of it. He explained it has been a sharing of resources due to necessity.
- **Commissioner Orolino** asked if Mr. Leon Guerrero was strictly under GALC.
- **Director** replied that his priority is GALC.
- **Commissioner Cruz** expressed concern that Mr. Leon Guerrero would be pulled away from his GALC duties too much.
- **Director** replied that the shortage of staff at GALC has led them to seek services from outside GALC. The help has been reciprocated.
- **Commissioner Cruz** again stressed her concern for Mr. Leon Guerrero being overworked.
- **Chairman** said they should move on to another topic.

Annual Audit:

Payment for the Commission's annual audit has been prioritized. Control of approximately 10% of Government of Guam properties makes the Commission's annual audit a material component of the Government of Guam Financial Statement. In short, the Government of Guam Financial Statement cannot

be completed without the completion of the annual audit of the Commission. A decision was made to transfer funds from Personnel Services to pay for the audit. This decision was made knowing that the current budget allotments provided by BBMR does not support the current staffing pattern.

Zoom Account:

The Commission has established its own Zoom Account due to the COVID-19 public health emergency that has forced Commission meetings to be held via teleconference.

V. OLD BUSINESS

A. GEDA: Progress Report – Matson Comparable Presented by Tony Arriola, also present is Jo Ann Cruz

The following is a progress report on GEDA’s efforts to manage Land Bank Trust properties as required by Section 1(i) of the MOU between GEDA and GALC Land Bank Trust:

Wettengel Junction – Northern Market, LLC (NM) : No changes from last report.

Apra Harbor Parcel No. 1 (Commissary Junction) – \$3,910.52/Month: KwikSpace – Tenant is current with its lease rents.

Apra Harbor Reservation F-12 (Matson) – \$25,000.00/Month: Matson Navigation Company – Tenant is current with its lease rents. Matson has submitted an official letter to request a waiver of the Appraisal and instead only increase their base rent by 8%. GEDA requests that the commission make their final decision on whether to approve the guaranteed 8% increase or require an Appraisal.

Matson Comparables: @ 8% Capitalization Rate:

MLS 15-1422	MLS 17-229
Piti	Asan
1246 Sq. Meters	7984 Sq. Meters
List price: \$80,000.00	List price: \$300,000.00
.43 cents per sq. mtr.	.25 cents per sq. mtr.
Commercial Zoned Lot, Marine Drive Frontage,	Ocean View, undeveloped property
MLS 14-3024	
Asan	
3326 Sq. Meters	
List price: \$144,000.00	
.29 per sq. mtr.	
Vacant lot, paved access, possible ocean view	

- **Commissioner Wessling** said that GEDA’s comps are from 2014, 2015, and 2017. She said she was able to find 6 M1 zone closings for sales within the past 12 months, and that the range was quite wide. Her findings have led her to be in favor of getting the Matson property appraised. She added that the real estate market, with the exception of residential rentals, has been nice and steady during the COVID quarantine.

- **Commissioner Rios** asked if there is a risk of Matson not renewing their lease.
- **Commissioner Wessling** said the Matson lease is long-term.
- **Mr. Tony Arriola** said that rent escalation is every 10 years.
- **Commissioner Wessling** mentioned that per the lease agreement, GALC would hire and pay an appraiser, while Matson would have to reimburse GALC for this cost within 30 days.
- **Commissioner Rios** wondered if GALC would be able to negotiate a higher percentage of rent increase based on the appraisal.
- **Commissioner Cruz** said an appraisal would give GALC more information to work with.
- **Commissioner Wessling** asked if GALC had to RFP 2 appraisers for their quotations.
- **Mr. Tony Arriola** replied no.
- **Ms. Cathi Blas** said since GEDA is the property manager they will solicit bids for appraisals, which they will present to the Commission to select.
- **Commissioner Wessling** said there are only a couple of appraisers certified to handle the size of property Matson is leasing.
- **Commissioner Camacho** agreed with Commissioner Wessling's reasons to do the appraisal. She said they would be doing their due diligence.
- **Ms. Jo Ann Cruz** pointed out that KwikSpace did an appraisal in 2018, and it came back lower than their rent at the time, so there was no increase in rent. This is the risk that the Commission will take with the Matson property, if they agree to do an appraisal.
- **Commissioner Rios** asked if there is a possibility of Matson finding another property to rent.
- **Commissioner Wessling** said there is an early termination stipulation in the lease agreement, which can be sought in the 20th year of the lease. Matson is 10 years into the contract.
- **Vice Chairman** asked if funding is available to pay for the appraisal.
- **Director** replied yes.
- **Commissioner Rios** expressed his concern about the risk involved in declining Matson's offer of the 8% rent increase in lieu of an appraisal. He said accepting Matson's offer of an 8% increase will bring an extra \$240,000 in rent in ten years.
- **Commissioner Cruz** said she trusts Commissioner Wessling's instinct to hire an appraiser.
- **Commissioner Wessling** said many good points have been brought up on both sides of the issue, but she stressed that the lease agreement says that they are supposed to hire an appraiser. She said that the Board would be doing their due diligence by hiring an appraiser.
- **Chairman** suggested the Board offer to take Matson's 8% offer for 5 years.
- **Chairman** asked for someone to make a motion either way on the Matson issue. (No response)
- **Commissioner Cruz** asked if they could table this issue until the next meeting.
- **Ms. Jo Ann Cruz** replied that Matson's lease was scheduled to escalate in May of 2020. She said that Matson approached GEDA last year about the 8% increase.
- **Vice Chairman** asked what Matson's 8% increase would amount to in 5 years.
- **Ms. Jo Ann Cruz** replied that it would be an extra \$120,000 in rent.
- **Chairman** asked the Board if they wanted to wait until the next meeting to make a motion.
- **Commissioner Orlino** agreed.
- **Chairman** said that the Matson issue would be tabled until the next meeting.

Portion of Lot Apra Harbor Reservation F-12 (Remainder): GEDA has finished drafting RFP and is ready to issue, pending legal counsel review.

AT&T – Tanguisson Cable Landing Station, Dededo (Lot 10192) – \$22,939.42/Month: Tenant is current with its lease rents.

N5D Mangilao (Route 15): GEDA submitted a Letter of Assistance to CLTC on Feb. 3, 2021, requesting assistance regarding CLTC residents traversing across Lot N5D to access their property. Pending response from CLTC.

Tiyan Properties

1. **Guam Environmental Protection Agency (GEPA) \$8,000.00/Month**
2. **GEPA Roof Repair:** GEDA has finished drafting IFB and is ready to issue, pending legal counsel.

DPHSS (WIC): Memo has been drafted informing DPHSS (WIC) that GEDA will resume Property Management services for Executive Director's signature. Pending final approval.

Three House Lots (Across DHL): GEDA has consulted with DLM to obtain official maps and was informed that Survey Map is going through the process of being finalized and approved.

Andersen South (Marbo Area) 395 acres: GEDA completed draft of RFP for lease and development and is ready to issue pending legal counsel review.

VI. NEW BUSINESS

Administrative Issues and Operational Needs

- **Director** said this was discussed in great depth in the Executive Director's Report.
- **Chairman** asked about GALC's new office space.
- **Director** replied next week Tuesday and Wednesday the furniture would begin to get set up.
- **Chairman** asked about the 3 buildings in Tyan.
- **Director** said that GEDA is handling it. He told GEDA that they would like the 3 buildings renovated as quickly as possible.
- **Chairman** asked if they needed the survey maps to get started on the renovations. He expressed concern that the buildings would not be ready by the time the ITC lease was up.
- **Director** said that they hope it will get done by the end of the fiscal year.
- **Chairman** asked if the parkway/expressway was going to run through the property.
- **Director** replied that GEDA wants to confirm that first.
- **Chairman** asked if the location of the parkway was already decided years ago.
- **Mr. Joey Leon Guerrero** said that DPW still has to complete Phase 2, but that the latest plan has the parkway avoiding GALC's lot.

- **Chairman** said that they need to move aggressively to get those buildings renovated, so it's critical to that they know for sure about the parkway.
- **Mr. Joey Leon Guerrero** said that he would contact DPW.
- **Chairman** said that it was important for GALC to get back to working sessions and to definitely clarify our Enabling legislation with us as developers. He said the Board needs to look into GALC's issues with GEDA regarding the 14%.
- **Vice Chairman** agreed that the Director and GALC staff needs to get situated soon in Tiyan. He expressed concern that they would find it hard to find contractors to do the renovations.
- **Commissioner Orlino** agreed with the Vice Chairman.
- **Director** said the first thing they need is the property map. The map is needed before they can begin renovations. He said they will also need to put out an RFP.
- **Chairman** suggested GALC look into developing some properties.
- **Commissioner Cruz** asked if the Chairman was asking the Board to come up with a comprehensive plan to become developers.
- **Chairman** replied that he would like the Board to consider if they could become developers. He commented that the possibility to become developers is in the legal language.
- **Vice Chairman** commented that they could also buy properties.
- **Chairman** suggested the Board think about how to become developers in the next several months.
- **Vice Chairman** asked how the Director, AO, and Land Agent are doing.
- **Director** said for operations they are starving, because they currently are unable to access the funds they need for staffing and other operational needs.
- **Chairman** asked the Board to put their heads together during the next 7 months to define the role of GALC.
- **Director** asked the Chairman if he wanted to set up a work session soon.
- **Chairman** replied that they need to define their role first.
- **Director** commented that the Commissioners will need to step up and get involved directly, if BBMR and the Legislature fail to approve more support staff for GALC.
- **Chairman** asked if there were any questions.

VII. PUBLIC COMMENTS

- None

VIII. ANNOUNCEMENTS

- Next GALC Board Meeting is scheduled for **Wednesday, February 24, 2021 at 2:00pm via ZOOM.**

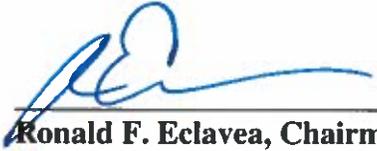
IX. ADJOURNMENT

- **Chairman Eclavea** thanked everyone for joining the meeting and adjourned the meeting at 4:50 p.m.

Additional Remarks: The summarization of the GALC Board Meeting Minutes has been approved by the board due to the shortage of GALC Staff. Please refer to the Office of Public Accountability (OPA) Website for the GALC Board Meeting Minutes Audio Recording for detailed information.

APPROVED BY:

DATE APPROVED:



Ronald F. Eclavea, Chairman
Guam Ancestral Lands Commission

02/24/2021

TRANSCRIBED BY:



Mara Perez, Administrative Aide
Guam Ancestral Lands Commission

REVIEWED AND APPROVED BY:



John T. Burch, Executive Director
Guam Ancestral Lands Commission